VZCZCXRO0707

PP RUEHCD RUEHGD RUEHHO RUEHMC RUEHNG RUEHNL RUEHRD RUEHRS RUEHTM DE RUEHME #0131/01 0201343

ZNR UUUUU ZZH
P 201343Z JAN 09
FM AMEMBASSY MEXICO
TO RUEHXC/ALL US CONSULATES IN MEXICO COLLECTIVE PRIORITY RUEHC/SECSTATE WASHDC PRIORITY 4648
INFO RUCPDOC/DEPT OF COMMERCE WASHINGTON DC PRIORITY RUEAHLA/DEPT OF HOMELAND SECURITY PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RHMFIUU/HQ USNORTHCOM PRIORITY
RHMFISS/CDR USSOUTHCOM MIAMI FL PRIORITY
RHMFISS/CDR USSOUTHCOM MIAMI FL PRIORITY

UNCLAS SECTION 01 OF 02 MEXICO 000131

SENSITIVE SIPDIS

STATE FOR WHA/MEX, INR

E.O. 12958: N/A

TAGS: PGOV PREL ECON MX

SUBJECT: MEXICO CAUTIOUSLY OPTIMISTIC ABOUT MEETING BETWEEN CALDERON AND OBAMA

11. (SBU) SUMMARY: The Mexican media reported extensively on the meeting between President-elect Barack Obama and Mexican President Felipe Calderon at the Cultural Institute of Mexico January 12 in Washington. The press reported a positive, fluid dialogue between the two leaders on domestic and binational issues such as drugs and arms trafficking, the economic crisis and NAFTA, and immigration and other binational issues, even though many commentators mentioned that their encounter lacked concrete proposals. Opinion pieces varied with some more critical than others but with most cautiously optimistic. END SUMMARY.

Searching for a Niche

12. (SBU) The Mexican media generally characterized the private lunch between Calderon and Obama at the Cultural Institute of Mexico January 12 as a positive step in the U.S.-Mexican relationship. Columnist Froylan M. Lopez Narvaez (Reforma) opined that it was a difficult meeting for Calderon because Calderon had made the mistake of signaling his preference for McCain over Obama in the course of the campaign. Lopez suggested the two got together out of tradition (Mexican Presidents have met with the U.S. president-elect going back to when Mexican President Lopez Portillo met with U.S. President-Elect Reagan in 1981) but described the exchange as "reserved" and focused on "generalities." TV anchor and columnist Carlos Loret de Mola alluded to the relationship of former Mexican presidents with the U.S. According to Loret de Mola, former president Salinas had wanted a trade agreement, Zedillo looked to the U.S. for financial rescue and Fox had hoped the U.S. would deliver on an immigration agreement. The problem with Calderon, he suggested, was that he was not yet clear on his number one priority. Loret also lamented that Mexico was not a priority for the U.S. compared to Iraq, Iran, Afghanistan, the Israeli-Palestinian conflict, and even the European Union.

Drugs and Arms Trafficking

¶3. (SBU) Press commentators welcomed reports that Obama had assured Calderon that the U.S. would not leave Mexico on its own in the fight against drug trafficking. The press also reported on President-Elect Obama's commitment to address Mexican concerns about arms trafficking. Salvador Garcia Soto (Universal) however, went off on a different tangent. He drew attention to the DOD Joint Operating Environment 2008 Report released last week which declared Mexico a "failed state." He worried that the U.S. was starting to

place Mexico in the same category as Pakistan and considering the potential to deploy troops to address an emerging crisis. He saw the U.S. sending mixed messages. On the one hand, President-Elect Obama and USG officials praised Calderon as courageous. At the same, it's evident they have serious concerns about Mexico's ability to face down the threat posed by organized crime.

Financial Crisis, NAFTA and Immigration

14. (SBU) Mexican columnists generally stressed the need for cooperation to mitigate the effects of the financial crisis on $\overline{\text{U.S.}}$ and $\overline{\text{Mexican}}$ businesses. They contrasted the approach of the two presidents on the question of NAFTA. Whereas Calderon wanted to build on NAFTA, some perceived Obama as wanting to revisit the current treaty to strengthen labor and environmental standards. Congressional opinions were mixed. PRI Coordinator of Deputies Emilio Gamboa said that Mexico needed more details about possible next steps on NAFTA as a renegotiation of the treaty could hurt Mexico. PAN Deputy Coordinator Hector Larios, however, suggested that renegotiation of the treaty on labor and environment issues was doable. Several commentators believed Obama was committed to working with Congress on immigration but recognized it was premature to know what shape this work would take.

Congress and Political Party Reaction

MEXICO 00000131 002 OF 002

- 15. (SBU) A number of Congresspersons and political party officials described the meeting between the two leaders as positive and important. Rejecting the suggestion that Calderon had the meeting just to get his picture taken with Obama, PAN Senator Humberto Aguilar maintained the meeting served to formalize a new era in Mexico's bilateral relationship with the U.S. PAN Deputy Coordinator Hector Larios thought an emerging personal affinity between the two leaders could advance the U.S.-Mexico relationship. Vania Avila Garcia, National Coordinator of International Affairs at Convergencia described the meeting as a good start, but insisted Mexico needed to keep in mind that notwithstanding his "good intentions," Obama was committed to advancing the national interests of the U.S.
- 16. (SBU) COMMENT: Overall, media commentators and political leaders believed that Calderon's initial meeting with Obama had served to establish a personal connection between the two. They were able to touch on important themes in the relationship including shared concern about the security challenges Mexico faces and the economic challenges that confront both of our countries. Reassured by Obama's commitment to support Mexico and do more to fight arms trafficking, they remained ambiguous about what to expect on the question of NAFTA and immigration. Calderon scored points for securing the meeting and receiving Obama's public support. Some worried though that Mexico would not rank high as a priority for the new U.S. administration and hoped that future meetings between the leaders of our two countries would tackle our shared agenda in greater detail. END COMMENT.

Visit Mexico City's Classified Web Site at http://www.state.sgov.gov/p/wha/mexicocity and the North American Partnership Blog at http://www.intelink.gov/communities/state/nap/GARZA